Self-insured Programs

September 9, 2013

COLUMBIA PUBLIC SCHOOLS

Workers' Compensation Fund Balances

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Unaudited	2013-14 Projected
Beginning net assets	**$2,805,706**	**$1,954,015**	**$1,600,908**	**$1,243,430**	**$937,607**
Insurance premiums into fund	$0	$727,042	$705,908	$735,524	$1,092,453
Expenses paid from fund	$875,929	$1,087,978	$962,511	$1,044,178	$1,064,416
Operating income (loss) in plan	$(875,929)	$(360,936)	$(256,603)	$(308,654)	$28,037
Earnings on investments	$24,244	$7,829	$2,705	$2,831	$3,600
Change in net assets	$(851,685)	$(353,107)	$(253,898)	$(305,823)	$31,637
Ending net assets	**$1,954,015**	**$1,600,908**	**$1,243,430***	**$937,607**	**$969,244**

*Correction to balance to restate premiums collected

Worker's Compensation Fund Rate History

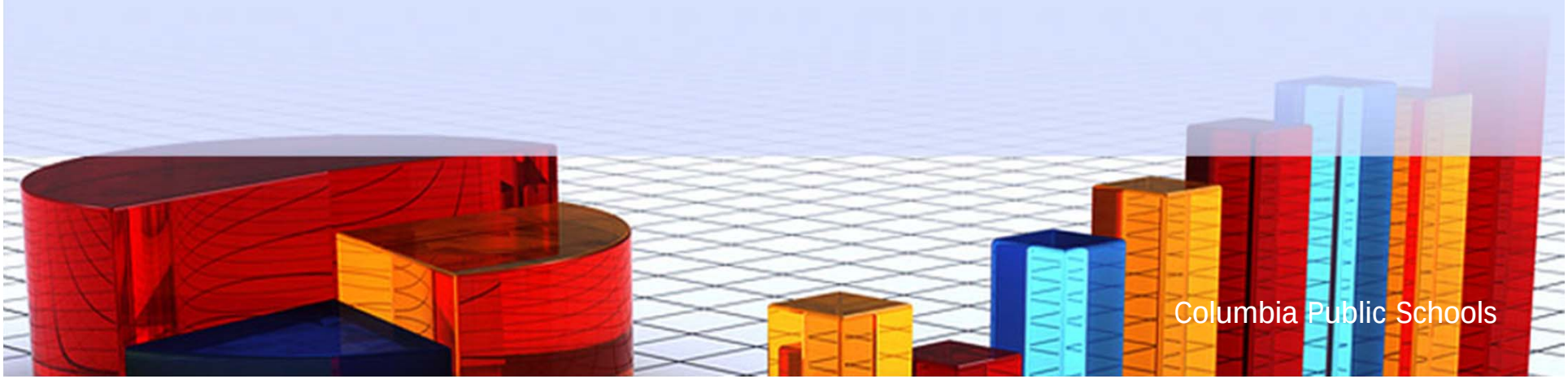
	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Unaudited	2013-14 Projected
Total annual salary expenditure	$105,968,245	$103,563,398	$101,511,797	$106,369,708	$110,594,824
Annual worker's compensation premium	$0	$727,042	$705,908	$735,650	$1,092,453
Cost per $100 of salary	0	70¢	70¢	69¢	99¢
Annual increase in premium	$(1,500,000)	$727,042	$(21,134)	$29,742	$356,803
% of increase in premium	N/A	N/A	(2.90%)	4.21%	48.50%

Proposed Plan Design Changes for 2014

- Change in allowed providers for counseling service
  - Currently only Ph.D./Ed.D. are eligible providers
  - Requesting to add LCSW (Licensed Clinical Social Workers), LPC (Licensed Professional Counselors), Doctorate of Psychology, and Medical Doctors
- Move hourly employees' first date of coverage to the first day of the month following 60 days rather than 90 due to health care reform requirements

Proposed Plan Design Changes for 2014

- Move last day of coverage to the end of the month following termination of employment rather than the last day of employment
- Change cafeteria plan to an “opt out plan” for pre-tax dependent insurance premiums rather than “opt in”



Proposed Plan Design Changes for 2014

- Domestic partner dependent coverage
  - Dependent rates to be set equal to those in existence today for like dependent groups
  - Work to define partners and dependents underway
  - Work to establish appropriate requirements for proof underway
  - Actual plan document with changes to be included in the October 2013 Board materials for final approval

Medical Insurance Fund Balances

	2009-10 Actual	2010-11** Actual	2011-12 Actual	2012-13 Unaudited	2013-14 Projected
Beginning net assets	**$2,443,156**	**$2,665,075**	**$5,181,871**	**$4,138,960**	**$5,582,871**
Insurance premiums into fund	$17,011,578	$18,167,777	$19,051,705	$18,984,886	$19,223,104
Expenses paid from fund	$16,813,621	$15,667,292	$17,587,166	$17,560,407	$19,219,039
Operating income (loss) in plan	$197,957	$2,500,485	$1,464,539	$1,424,479	$4,065
Earnings on investments	$23,962	$16,311	$11,880	$19,432	$21,000
Change in net assets	$221,919	$2,516,796	$1,476,419	$1,443,911	$25,065
Ending net assets	**$2,665,075**	**$5,181,871**	**$4,138,960***	**$5,582,871**	**$5,607,936**

*Correction to balance to restate premiums collected
**Year began high-deductible plan

Medical Insurance Fund Rate History

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Projected
Employee rate per month	$425	$450	$475	$480	$480
Cost per year (considers January rate change)	$4,950	$5,250	$5,550	$5,730	$5,730
Annual increase	$300	$300	$300	$180	$0
% of annual increase	6.45%	6.06%	5.71%	3.24%	0%

Cautions and Considerations for 2014 Rate

- Unknown impact of required autism coverage
- Uncertainty of impact of addition of domestic partner coverage
- Unknown number of dependents who might be added due to loss of coverage from outside plan changes
- Unknown impact due to change in counselor providers
- Unknown impact of required change to 60 days for hourly employees and end-of-month change for all employees
- Greater implementations of health care reforms coming in 2015

Dental Insurance Fund Balances

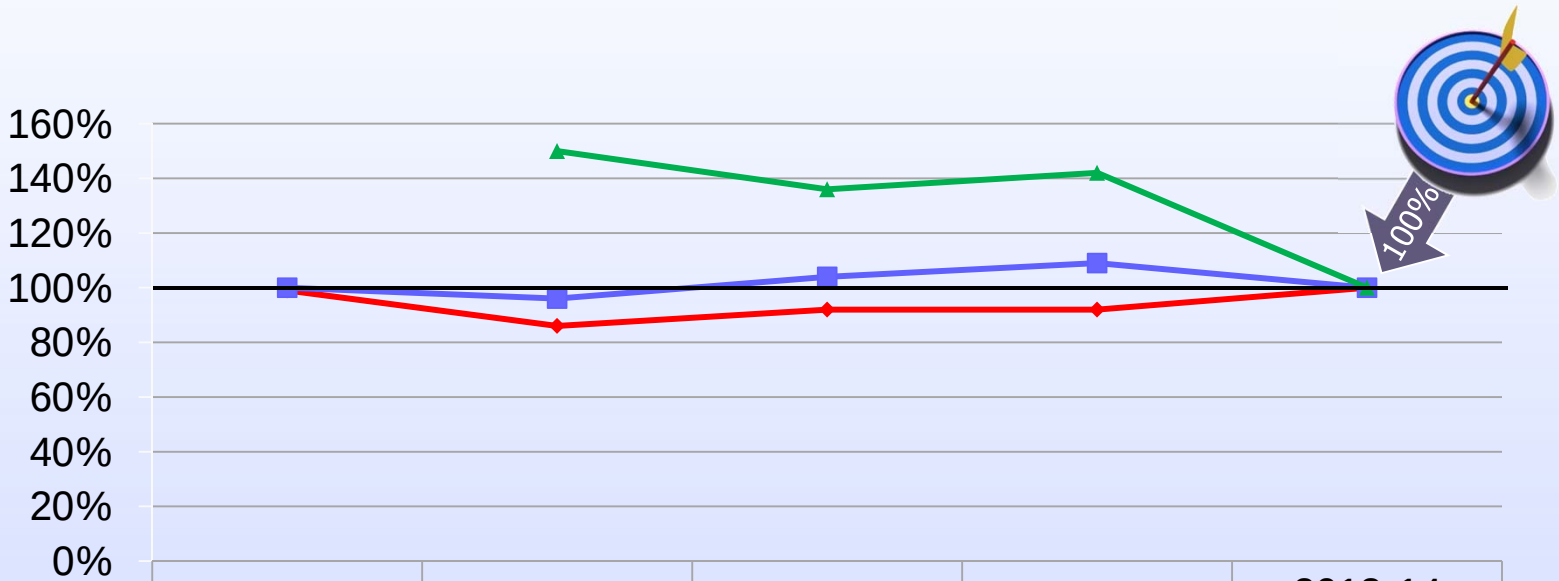
	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Unaudited	2013-14 Projected
Beginning net assets	**$473,762**	**$474,217**	**$521,603**	**$302,623**	**$189,592**
Insurance premiums into fund	$1,171,530	$1,229,130	$1,247,720	$1,251,901	$1,400,000
Expenses paid from fund	$1,173,738	$1,184,364	$1,305,345	$1,366,431	$1,404,850
Operating income (loss) in plan	$(2,208)	$44,766	$(57,625)	$(114,530)	$(4,850)
Earnings on investments	$2,663	$2,620	$1,741	$1,499	$1,600
Change in net assets	$455	$47,386	$(55,884)	$(113,031)	$(3,250)
Ending net assets	**$474,217**	**$521,603**	**$302,623***	**$189,592**	**$186,342**

*Correction to balance to restate premiums collected

Dental Insurance Fund Rate History

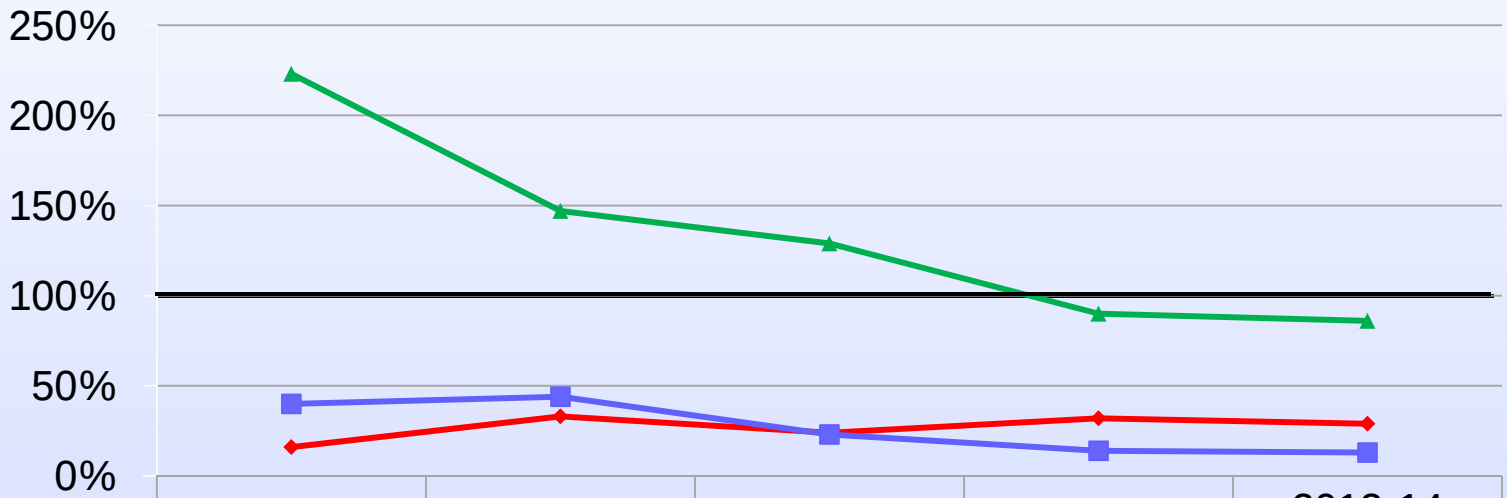
	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Proposed
Employee rate per month	$25	$25	$25	$25	$27
Cost per year	$300	$300	$300	$300	$324
Annual increase	$36	0	0	0	$24
% of annual increase	13%	0	0	0	8%

Total Cost of Plan
as a Percentage of Plan Revenue



	2009-10	2010-11	2011-12	2012-13	2013-14 Projected
Medical	99%	86%	92%	92%	100%
Dental	100%	96%	104%	109%	100%
Work Comp		150%	136%	142%	100%

Reserves
as a Percentage of Annual Expense



	2009-10	2010-11	2011-12	2012-13	2013-14 Projected
Medical	16%	33%	24%	32%	29%
Dental	40%	44%	23%	14%	13%
Work Comp	223%	147%	129%	90%	86%

Recommendations of the Employee Benefits and Finance Committees

Modify plans effective January 1, 2014, as follows:

Medical Plan

- Change in counseling providers as shown
- Change hourly employee start date to first day of employment following 60 days
- Change last day of coverage to end of the month following last day of employment
- Change cafeteria plan to “opt out” for pre-tax dependent premium purposes
- Add domestic partner coverage
- Leave monthly premium rates at current 2013 rates

Dental Plan

- Change rate from $25 per month to $27 per month
- Change part-time employee premium participation to flat $5 rather than prorated

Life Insurance

- Change part-time employee premium participation to flat $1 rather than prorated